

Strategic Alignment

Gaskets. Fuel pumps. V-6 engines. The automotive industry is not the typical background for a state chief information officer. But the car-manufacturing world is where Michigan CIO **TERI TAKAI** cut her teeth—gaining broad experience in computer systems planning, logistics and financial lending systems.

That corporate experience is serving her well in state government, where she has integrated 19 executive-branch IT departments into a single technology organization. The centralization mode is quite familiar to her from her days at EDS, Ford Motor Co. and Federal Mogul, a global supplier of automotive supplies and systems.

But more than that, she is a pro at closely linking technology activities and spending to the goals of the chief executive, in this case Governor Jennifer Granholm. Takai's department doesn't start with an IT plan. Rather, IT officials focus on the six issue areas, including health care, economic development and education, that are in the governor's "Cabinet Action Plan." Then the

IT department looks at the proposed budget. From there, the department determines the IT initiatives that can support the governor's plans and be funded.

Although she's a master of strategic planning, Takai doesn't hand down edicts from above. Input from and collaboration with the deputy directors from all cabinet agencies inform all technology decisions. And that has helped Michigan earn a national reputation as a leader in "silo-busting" management.

The 57-year-old Takai, a metro Detroit native, had a lot to learn about the workings of state government when she arrived in Lansing—the first Asian American to hold a cabinet post in Michigan. When Granholm's transition team contacted her to ask if she'd consider the CIO position, her first thought was "probably not." She knew it would entail a big cut in pay and she'd never thought about working in the public sector.

But she decided not to reject the idea out of hand. After an hour on the phone with

Granholm, it felt like the right thing to do: She and the governor-elect had similar styles and management philosophies. The transition was a little bumpy, however. Takai didn't know who the players were and didn't know the power structure. She didn't really understand the budgeting process nor fully understand how important it was to work with the legislature as well as the agencies. But she also didn't barge in and claim to know it all. "I make it a point to listen, and not ride in and tell people how it is," she says.

In her two-and-a-half years on the job, Takai has saved \$100 million, established a good rapport with agencies and legislators, reached out to local governments and vendors, made it easier for citizens to do business with the state and learned the government ropes. It's quite the accomplishment to be able to save the state so much money with the budget so tight. "Granted we don't always deliver 100 percent and sometimes we're slower than we'd like to be" she says frankly.

But with a 15 percent reduction in agency head count, contract savings and vendor discounts that she's hotly pursued, she has made the fallout from the financial strain less painful than it might have been otherwise. She strives to continue to provide the same level of services while also improving security and protecting data.

Local governments are impressed with her efforts on inclusiveness. "She doesn't sit up in Lansing and dictate," says Phil Bertolini, deputy county executive in Oakland. "She involves us in decisions." She was proactive in putting together a group of county CIOs from around the state for technology collaboration.

Other CIOs like her refreshing candor. New York's Jim Dillon remembers a recent meeting in Washington of state and federal CIOs. No one had asked the feds any tough questions. But when the conversation got a little slow, he says, Takai piped up, " 'Do you care about us or not?' Her implication is 'you actually don't always.' " The audience ate it up. "Teri is one of those people always willing to take on the tough subject and make the difficult observation," Dillon says. —Ellen Perlman

KIM KAUFFMAN



TERI TAKAI Deploying technology to achieve the state's business goals